

NOT FOR PUBLICATION

(Docket No. 398)

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
CAMDEN VICINAGE**

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

EQUITY FINANCIAL GROUP,
et al.,

Defendants.

:
:
:
:
:
:
:
:
:
:
:
:

Civil No. 04-1512 (RBK)

OPINION

KUGLER, United States District Judge:

Before the Court is a motion by Stephen T. Bobo, the Equity Receiver of Defendants Equity Financial Group, LLC, Tech Traders, Inc., Robert W. Shimer and others (the "Receiver") to settle disputes with McDermott Will & Emery ("MWE"), the law firm that represented Tech Traders, Inc., Tech Traders, Ltd. and Coyt Murray in the CFTC investigation between January 2004 and April 8, 2004. This motion is unopposed. For the reasons provided below, the Receiver's motion will be granted.

I. Background

The Court set forth the background of this case repeatedly in prior Opinions, and need not do so here. See Commodity Futures Trading Comm'n v. Equity Fin. Group, No. 04-1512, 2006 WL 3359418 (D.N.J. Nov. 16, 2006); see also Commodity Futures

Trading Comm'n v. Equity Fin. Group, No. 04-1512, 2005 WL 2864784 (D.N.J. Oct. 4, 2005). On April 1, 2004, the Commodity Futures Trading Commission ("CFTC") filed a complaint in this Court against Defendants Equity Financial Group, LLC; Tech Traders, Inc.; Vincent J. Firth; Robert W. Shimer; J. Vernon Abernethy; Coyt E. Murray; Magnum Capital Investments, Ltd.; Magnum Investment, Ltd.; and Tech Traders, Ltd.

On April 1, 2004, this Court entered an Order appointing the Receiver for the purpose of "marshalling, preserving, accounting for and liquidating the assets that are subject to this Order and directing, monitoring and supervising Defendants' activities. . . ."

II. Discussion

Between January 2004 and April, 8, 2004, the law firm of MWE represented Tech Traders, Inc., Tech Traders, Ltd., and Coyt Murray in the CFTC investigation and the early stages of the current litigation. Tech Traders, Inc., paid MWE a total of \$246,000 in retainer payments. As of April 1, 2004, at the time this litigation commenced, MWE withdrew a total of \$81,637.57 from the retainer account to pay invoices for legal services rendered. That left a remaining balance of \$164,362.43 in the retainer account.

The Receiver demanded that MWE turn over the remaining balance. MWE refused, stating there were outstanding bills, totaling \$78,651.26, for services rendered during March and April

of 2004. The Receiver challenged MWE's claims because of the amount of the alleged outstanding charges, and because Tech Traders, Inc. paid the retainer but the services were for Tech Traders, Ltd. and Coyt Murray.

MWE and the Receiver negotiated a resolution of this issue. MWE will return \$132,587.16 from the retainer funds to the receivership estate for Tech Traders, Inc., and MWE will apply the remaining \$31,775.27 to the outstanding invoices. In addition, MWE and the Receiver will exchange "general releases."

The Receiver states this settlement is in the best interest of the receivership estate, as it settles this ongoing dispute and avoids the cost of litigation of these issues.

The Court finds that the Receiver established this settlement is in the best interest of the Receivership estate. Therefore, the Court grants the Receiver's motion to settle the dispute with MWE as described above.

VI. Conclusion

For the foregoing reasons, the Court grants the Receiver's motion.

Dated: 3/26/2007

s/Robert B. Kugler
ROBERT B. KUGLER
United States District Judge